

**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
**MINUTES OF MEETING**  
**SEPTEMBER 24, 1998**

The Members of the Department of Financial Institutions met at 9:00 a.m., EST, at 402 West Washington Street, Room W-066, Indianapolis, Indiana, on Thursday, September 24, 1998. Members present were Norman Lowery, Chairman; Gary Smith, Vice Chairman; Tony Zaleski, and Loretta Burd. Also present from the Department were Charles W. Phillips, Director; J. Philip Goddard, Chief Counsel; Deputy Director, Non-Depository Institutions and Secretary; James M. Cooper, Deputy Director, Depository Division; Randall L. Rowe, Bank Supervisor; Kirk J. Schreiber, Sr. Bank Analyst; Gina R. Williams, Sr. Bank Analyst; Mark Powell, Supervisor, Credit Union Division; Mark Tarpey, Division Supervisor, Consumer Credit Division and Ronda Bailey, Administrative Assistant. Representing Bank One Corporation, Columbus, Franklin County, Ohio and First Chicago NBD Corporation, Chicago, Cook County, Illinois were: Joseph Barnette, Jr., Chairman and CEO, Bank One, Indiana, N.A.; Jeffery Smith, Attorney, Banc One Corporation; Catherine Cawthon, CRA Officer, Banc One Corporation; Lawrence O'Connor, Jr., Senior Vice President, NBD Bank, N.A.; Daniel Cooney, Associate General Counsel, First Chicago NBD Corporation and Marie Jordan, Legal Counsel, First Chicago NBD Corporation. Representing KeyCorp, Cleveland, Cuyahoga County, Ohio were Daniel Stolzer, Vice President and Associate General Counsel and Thomas Ristine with the law firm of Ice Miller Donadio & Ryan. Representing Indiana Members Credit Union was Bob Newcomb, Assistant Vice President. Members absent were Mr. David Baer and Mr. Ronald Depasse.

**I. PUBLIC SESSION**

- A.) Attendance**
- B.) Date of next meeting: November 12, 1998 at 9:00 a.m., EST.**
- C.) A motion was made for approval of the minutes of the meeting held on August 13, 1998, by Mr. Zaleski and was seconded by Mr. Smith.**

**DIVISION OF BANKS AND TRUST COMPANIES**

**1. Bank One Corporation, Columbus, Franklin County, Ohio**

Mr. James M. Cooper, Deputy Director, presented the application. Prior to the meeting individuals representing Banc One Corporation and First Chicago NBD Corporation were introduced to the Members. Those individuals attending were: Joseph Barnette, Jr., Chairman and CEO Bank One, Indiana, N.A.; Jeffery Smith, Attorney Banc One Corporation; Catherine Cawthon, CRA Officer Banc One Corporation; Lawrence O'Connor, Jr., Senior Vice President NBD Bank, N.A.; Daniel Cooney, Associate General Counsel First Chicago NBD Corporation; and Marie Jordan, Legal Counsel First Chicago NBD Corporation. Bank One Corporation ("Bank One") has applied to the Department pursuant to the

provisions of IC 28-2-16 for approval to merge with First Chicago NBD Corporation ("First Chicago") and as a result of the merger Bank One will indirectly acquire control of two subsidiary banks in Indiana. As a result of the transaction Bank One Corporation will acquire control of NBD Bank, National Association, ("NBD Bank") in Indianapolis; and NBD Bank, Elkhart, which is a state bank in Elkhart. The resulting Corporation will be named Bank One Corporation and will be headquartered in Chicago, Illinois.

Each share of First Chicago NBD Stock will be exchanged for 1.62 shares of stock of the New Bank One. New Bank One is the result of Banc One Corporation ("Banc One") reincorporating in Delaware by merging with and into a wholly owned subsidiary of Banc One called Bank One Corporation. The combined organization after accounting for divestitures would be the fifth largest commercial banking organization in the United States with total assets of \$231.7 billion which represents approximately 4.8% of total US banking assets. New Bank One will control approximately 21.3% of total deposits in insured depository institutions in Indiana and 3.9% of deposits in the United States.

The competitive effects of the merger were extensively reviewed by the Department of Justice and the Department of Justice concluded that the proposal would not likely have a significant adverse effect on competition in any relevant banking market in which Banc One and First Chicago currently compete.

The finding by the Department of Justice was subject to a plan of divestiture that included a commitment to divest of 39 NBD Bank branch offices in the Indianapolis, Lafayette, Bloomington, Lawrence County, Corydon, and Rensselaer markets. Banc One and First Chicago announced that Union Planters Corporation, Memphis, Tennessee will acquire 51 NBD bank branches, \$1.8 billion in deposits, \$200 million in consumer loans and \$625 million in commercial loans. A list of the branches to be sold was included in the outline.

Bank One and First Chicago and their Subsidiary Banks are well capitalized and would remain so upon consummation of the proposal. Tier 1 capital on a proforma basis will be 7.5%. Both institutions have reported strong earnings. As of June 30, 1998, Banc One reported a return on assets of 1.63% and return on equity of 18.4%; First Chicago return on assets of 1.36% and return on equity of 19.4%. The transaction is structured as a stock-for-stock transaction and will not increase the debt service requirements of the combined company.

Both holding companies and all of their bank subsidiaries received satisfactory supervisory ratings as a result of the most recent safety and soundness examinations. Banc One, First Chicago, and their subsidiary depository institutions are considered to be well managed and have appropriate risk management processes in place. Senior management of the combined company will draw from senior executives of both companies and there will be a transition team created to manage and plan the integration of the bank holding companies and their subsidiaries.

All of the bank subsidiaries of Banc One and First Chicago received outstanding or

satisfactory ratings after a detailed on-site evaluation of each institution's overall record of performance under the Community Reinvestment Act.

The Federal Reserve Board, and all of the other State Supervisory Authorities that have jurisdiction over the transaction have given their approval.

Based upon our review of the application, the staff recommends approval of the transaction.

Mr. Smith asked when the effective date of the acquisition would take place. Mr. Cooney answered that October 2, 1998 would be the effective date.

Mr. Zaleski asked to confirm that all of the approvals have been obtained. Mr. Cooper replied that all approvals had been obtained including the Federal Reserve Board. Mr. Cooper commented on the 81 page approval document by the Federal Reserve Board. Mr. Cooper spoke briefly about the public meeting held in Chicago on August 12, 1998.

Mr. Phillips commented on the competitive issues of the acquisition and specifically how the divestiture plan will help preserve the veteran management team from NBD as an entity which will immediately be a significant competitive force and won't cause an adverse effect on competition. Mr. Barnette and Mr. O'Connor briefly discussed the competitive issues and agreed with the comments of Mr. Phillips.

Mr. Zaleski expressed his concern about branches being closed. Mr. Barnette replied that with technology today the need for branches is not as great. Additionally, Mr. Barnette discussed how Banc One has met with representatives of the various communities to discuss their concerns and Banc One believes those concerns have been addressed.

A motion for approval of the application was made by Mrs. Burd and seconded by Mr. Smith.  
**The application was unanimously approved.**

**2. KeyCorp, Cleveland, Cuyahoga County, Ohio**

Mr. Kirk J. Schreiber, Senior Bank Analyst, presented this application. Daniel Stolzer, Vice President and Associate General Counsel for KeyCorp and Thomas Ristine with the law firm of Ice Miller Donadio & Ryan were in attendance to represent the application.

KeyCorp has applied to the Department for a change of control of The McDonald Trust Company ("McDonald Trust"), Indianapolis, Marion County, Indiana, pursuant to IC 28-1-2-23.

KeyCorp is a multi-bank holding company and through its subsidiaries provides a wide range of banking, equipment leasing, fiduciary and other financial services. As of June 30, 1998, KeyCorp had total assets of \$76 billion and total equity capital of \$5.5 billion.

McDonald Trust is an Indiana state chartered pure non-depository trust company organized

in 1994. McDonald Trust offers a full range of fiduciary services. As of June 30, 1998, McDonald Trust had \$344 million in administered trust assets. McDonald Trust is a wholly owned subsidiary of McDonald & Company Investments, Cleveland, Ohio. McDonald & Company Investments is a full service investment banking, investment advisory and brokerage business.

KeyCorp and McDonald & Company Investments have entered into an Agreement and Plan of Merger. KeyCorp will acquire 100% control of McDonald & Company Investments and indirect control of all of its subsidiaries including McDonald Trust. Upon consummation of the merger, McDonald Trust will continue to operate as it currently does, as an Indiana state-chartered corporate fiduciary and with the same senior management. KeyCorp intends to merge McDonald Trust with and into Key Trust Company of Ohio National Association with Key Trust Company surviving; however, a final decision to merge the two trust companies won't be made until the end of the 1<sup>st</sup> quarter in 1999.

KeyCorp's pro forma combined financial statements of June 30, 1998, reflects a tier 1 leverage capital ratio of 6.5% with total assets of \$77 billion and total equity capital of \$5.9 billion.

KeyCorp received a satisfactory BOPEC rating at their most recent holding company inspection. McDonald Trust received a satisfactory corporate fiduciary rating at its most recent DFI examination.

The Federal Reserve Bank of Cleveland is expected to approve the application of KeyCorp acquiring McDonald & Company Investments in October.

KeyCorp is considered a fundamentally sound bank holding company. McDonald Trust will continue to serve the fiduciary needs of its community upon consummation of this transaction. Therefore, the staff believes the application for change of control meets the criteria of IC 28-1-2-23 and the staff recommends approval.

After a brief discussion, a motion for approval of the application was made by Mr. Zaleski and seconded by Mrs. Burd. **The application was unanimously approved.**

## **DIVISION OF CREDIT UNIONS**

### **1. Indiana Members Credit Union, Indianapolis, Marion County, Indiana**

This application was presented by Mark K. Powell, Supervisor, Credit Union Division. Indiana Members Credit Union has applied to the Members of the Department of Financial Institutions for approval of their proposed merger of Concora Anderson Employees Federal Credit Union (CAEFCU), Anderson, Madison County, Indiana into Indiana Members Credit Union (IMCU). This is a voluntary merger being entered into by the Board of Directors of CAEFCU to provide CAEFCU members with the more expansive services and branch

locations of IMCU. Further, CAEFCU like many other small credit unions has struggled with profitability and providing adequate management. After the merger (IMCU) will have increased capital from 8.66% to 8.67%, and loan delinquency will reduce from 0.09% to 0.07%. The National Credit Union Administration reviewed and approved this merger on July 2, 1998. Mrs. Burd asked if IMCU had a branch office located in Anderson, Indiana. Mr. Newcomb replied that IMCU does have a branch office in Anderson, Indiana. Mrs. Burd then asked if loans charged off were less than amounts recovered. Mr. Powell replied that that was the situation for the time period being looked at by the financial data. Mrs. Burd then stated that capital for IMCU has remained flat over the last few reporting periods and she wondered if the mergers were affecting that ratio. Mr. Newcomb replied that the growth in assets was keeping that ratio flat rather than any merger activity. Mr. Smith then asked how a credit union the size of CAEFCU was actually run. Mr. Newcomb replied that CAEFCU had a small office inside the Concora factory itself that was provided at no cost to the credit union. The credit union also "piggy-backed" on the systems and infrastructure of Concora at no cost. Mr. Newcomb explained that the credit union did have a full-time manager and a Treasurer that was actively involved in the running of the credit union. Mr. Powell added that there are several small credit unions that are set-up this way, but they are becoming rare because it is becoming hard to find people who will volunteer their time. Mr. Phillips added that the tenure of employees is also much shorter today than in the past.

A motion for approval of the voluntary merger of Concora Anderson Employees Federal Credit Union into Indiana Members Credit Union was made by Mrs. Burd and seconded by Mr. Smith. **The application was unanimously approved.**

**2. Indiana Members Credit Union, Indianapolis, Marion County, Indiana**

This application was presented by Mark K. Powell, Supervisor, Credit Union Division. Indiana Members Credit Union has applied to the Members of the Department of Financial Institutions for approval of their proposed merger of Lilly Industries Federal Credit Union (LIFCU), Indianapolis, Marion County, Indiana into Indiana Members Credit Union (IMCU). This is a voluntary merger being entered into by the Board of Directors of LIFCU to provide LIFCU members with the more expansive services and branch locations of IMCU. Mr. Powell explained further that this merger did not involve Eli Lilly FCU. Lilly Industries and LIFCU are separate from the Eli Lilly Company and Eli Lilly FCU. Mr. Powell stated that this merger would have very little effect upon the balance sheet of IMCU, and that LIFCU had been struggling with profitability and providing adequate management as do several small credit unions.

A motion for approval of the voluntary merger Lilly Industries Federal Credit Union into Indiana Members Credit Union was made by Mr. Smith and seconded by Mrs. Burd. **The motion was unanimously approved.**

**DIRECTOR'S COMMENTS AND REQUESTS**

A.) Director Phillips presented a resolution of appreciation for former Chairman Mark Hasten for

his years of service as a Member of the Department of Financial Institutions. A motion was made for approval of the resolution by Mr. Zaleski and was seconded by Mrs. Burd. **The resolution was unanimously approved by the Members.**

**B.) American State Bank, Lawrenceburg, Dearborn County, Indiana**

The bank notified the Department that they closed the branch banking office that was known as the "Greendale Branch" located at 434 Bellevue, Greendale, Dearborn County, Indiana. The branch office closed on June 30, 1998 @ 5:00 P.M. **This item was for informational purposes only.**

**C.) Pendleton Banking Company, Pendleton, Madison County, Indiana**

On March 4, 1998, the bank notified the Department of its intent to establish an insurance Agency subsidiary to be known as First Merchants Insurance Services, Inc., pursuant to IC 28-1-11-3.1 (9). The Subsidiary is being organized for the purpose of acquiring the assets of the Muncie business office of Insurance and Risk Management and to thereafter operate as a general lines insurance agency. **This item was for informational purposes only.**

**D.)** The Director advised the Members of actions pursuant to delegated authority. Mr. Phillips asked for any questions or clarifications of the actions, which are as follows:

**DIVISION OF BANK AND TRUST COMPANIES**

**1.) UNION BANK AND TRUST COMPANY OF INDIANA, GREENSBURG, DECATUR COUNTY, INDIANA**

The bank has entered into a branch purchase and assumption agreement dated May 21, 1998, with Union Federal Savings Bank of Indianapolis, Indianapolis, Indiana. The bank will purchase approximately \$20,548M in cash, \$214M in premises and equipment, and will assume approximately \$20,762M in deposits through its acquisition of Union Federal savings Bank of Indianapolis's branch in Frankton, Madison County, Indiana. The bank will pay a deposit premium of 8.0%, or \$1,661M, of total deposits as defined in the agreement.

The bank has applied to the Department for approval to establish a branch banking office to be located at **204 Sigler Street, Frankton, Madison County, Indiana**. The application was received on June 29, 1998, and the branch is to be known as **"Frankton Branch."** No insider relationship exists between any insiders of the bank and any of the parties involved. The proposed branch is approximately 3,168 square feet. The bank purchased the land and building from Union Federal Savings Bank of Indianapolis for \$83,000. Furniture, fixtures, and equipment costs are projected to be \$131,000. The bank received a satisfactory CAMEL rating as a result of an examination conducted by the FDIC as of June 30, 1997. The bank's three-year average ROA is 1.53%. On a pro forma basis as of July 19, 1998, the Tier I leverage capital ratio is calculated at 7.25% before the purchase and assumption and is calculated at 6.66% after the purchase and assumption. Both the bank and the bank's holding company have committed to maintaining a Tier 1 leverage capital ratio of at least 6.5%. In order to be above the 6.5% capital ratio, the bank's holding company has committed to

downstream \$1,500M to the bank upon consummation of this transaction. The investment in total fixed assets to total capital will increase from 13.02% before the proposed branch to 16.32% after the investment in the branch. This will be the institution's twelfth branch. **The Director approved this on August 7, 1998, under Delegated Authority.**

2.) **OLD KENT BANK, GRAND RAPIDS, KENT COUNTY, MICHIGAN**

An application from Old Kent Bank was received by the Department on July 31, 1998, to expand the activity of the foreign corporation in accordance with the provisions of IC 28-1-22. The department gave authority to Old Kent Bank as a foreign corporation to transact business in the State of Indiana on March 6, 1997. Old Kent Bank is incorporated as a Michigan state chartered banking institution. The approval by the department gave authority to Old Kent Bank to operate a loan and trust production office. Old Kent Bank seeks to amend its certificate of admission by transacting business as a Michigan bank through full service branches in Indiana. Old Kent Bank has appointed CT Corporation System, One North Capital Avenue, Indianapolis, Indiana, as resident agent for service of legal process. **A Certificate of Admission was issued under Delegated Authority on August 7, 1998.**

**DIVISION OF CREDIT UNIONS**

1.) **INDIANA TELCO CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

CIC Enterprises, Inc. – Indianapolis – 131 members  
YWCA of Indianapolis – Indianapolis – 103 members  
Verkler, Inc. – Indianapolis – 50 members  
Companion Care Company – Indianapolis – 30 members  
Indy Auto Accessories, Inc. – Indianapolis – 10 members  
Full Gospel Ministries, Inc. – Fishers – 15 members  
Gibraltar Design, Inc. – Indianapolis – 78 members  
Financial Plans & Strategies, Inc. – Greenwood – 5 members  
The Corradino Group – Indianapolis – 11 members

**The Director approved this on August 25, 1998, under Delegated Authority.**

2.) **CENTRA CREDIT UNION, COLUMBUS, BARTHOLOMEW COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Azalia Elevator – Waldron – 8 members  
Furniture Liquidators - Madison – Madison – 10 members  
Goins Ford-Lincoln-Mercury, Inc. – Rushville – 6 members  
Matlock Ford-Mercury – Franklin – 32 members  
Pentzer Printing, Inc. – Columbus – 12 members  
Sharpnack, Bigley, David & Rumble – Columbus – 21 members

**The Director approved this on September 1, 1998, under Delegated Authority.**

3.) **ELKHART COUNTY FARM BUREAU CREDIT UNION, GOSHEN, ELKHART, COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Soshen Sash and Door, Inc. – Goshen – 68 members  
Goshen College – Goshen – 265 members  
Schrock Homes, Inc. – Goshen 35 members  
Greenfield Lawn Management – Goshen – 30 members

**The Director approved this on September 1, 1998, under Delegated Authority.**

4.) **HOOSER HILLS CREDIT UNION, BEDFRORD, LAWRENCE COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Armstrong Carpets – Bedford – 7 members  
Contech Construction Products, Inc. – Mitchell – 25 members  
Crethaven Memory Gardens, Inc. – Bedford – 8 members  
Kern Electrical Services – Bedford – 12 members  
Leahy's Greenhouse – Bedford – 3 members  
Limestone Girls Club – Bedford – 7 members  
Newlin Furniture – Paoli – 2 members  
Ramona's Ruffles – Paoli – 2 members  
Seif 's Home Improvement – Jasper – 2 members

**The Director approved this on September 17, 1998, under Delegated Authority.**

5.) **CENTRA CREDIT UNION, COLUMBUS, BARTHOLOMEW COUNTY, INDIANA**

Request for approval of a Petition for Approval of Proposed Amendment to the Articles of



Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership) this amendment would place the following organizations into the field of membership of the credit union:

Employees of American Legion Post #129 – Greensburg – 9 members

Baxter Lumber, LLC – Deputy – 22 members

Cornerstone Systems Solutions, Inc. – Indianapolis – 5 members

Dairy Queen - Hanover – Hanover – 20 members

F.A.S. Plastic Enterprises, Inc. – Hanover – 45 members

Farlow Auto Sales – Columbus – 4 members

Fletcher Chrysler Products – Franklin – 35 members

Grote Industries, LLC – Madison – 950 members

J.C. Travel Unlimited – North Vernon – 3 members

Machinery Mounting Systems, Inc. – Columbus – 15 members

Madison Area Educational Special Services Unit

d/b/a Special Services Unit (SSU) – Madison – 172 members

TIE National Field Office – Columbus – 35 members

VMV Tool and Engineering – Madison – 10 members

**The Director approved this on September 17, 1998, under Delegated Authority.**

### **DIVISION OF CONSUMER CREDIT**

- 1.) **Amerifund Group, Inc.** is requesting a consumer loan license. Applicant is based in Winter Park, FL. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. They currently operate in eleven states. **The Director approved this on August 6, 1998, under Delegated Authority.**
- 2.) **AmerUs Home Equity, Inc.** is requesting a consumer loan license. Applicant is based in Des Moines, IA. Loans in Indiana will be made at one branch in Indianapolis. They will be making second mortgage loans. They will be servicing their loans. They were formerly an affiliate of AmerUs Bank, FSB and will now become a separate lending entity in Indiana. They currently operate in six states. **The Director approved this on August 6, 1998, under Delegated Authority.**
- 3.) **Chadwick Mortgage, Inc.** is requesting a consumer loan license. Applicant is based in Houston, TX. They will be making second mortgage loans. They will be servicing their loans. Loans will be closed by title company/attorney. They currently operate in eleven states. **The Director approved this on August 6, 1998, under Delegated Authority.**
- 4.) **Christopher E. Hobson, Inc.** d/b/a Franklin Financial and Gold Coast Realty is requesting a consumer loan license. Applicant is based in Corona Del Mar, CA. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title

company/signing service. They currently operate in six states. **The Director approved this on August 6, 1998, under Delegated Authority.**

- 5.) **First Residential Mortgage Network, Inc.** is requesting a consumer loan license. Applicant is based in Louisville, KY. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. They currently operate in four states. **The Director approved this on August 6, 1998, under Delegated Authority.**
- 6.) **First Nation's Cash, Inc.** is requesting a consumer loan license. Applicant is based in Evansville, IN. They will be making payday loans. They will be servicing their loans. **The Director approved this on August 6, 1998, under Delegated Authority.**
- 7.) **Lenders Spectrum Mortgage, Inc.** is requesting a consumer loan license. Applicant is based in Lake Forest, CA. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. **The Director approved this on August 6, 1998, under Delegated Authority.**
- 8.) **London Financial Group** is requesting a consumer loan license. Applicant is based in Irvine, CA. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. They currently operate in nine states. **The Director approved this on August 6, 1998, under Delegated Authority.**
- 9.) **Randy Jones d/b/a Same Day Cash Advance** is requesting a consumer loan license. Applicant is based in Indianapolis. They will be making payday loans. They will be servicing their loans. **The Director approved this on August 6, 1998, under Delegated Authority.**
- 10.) **Universal Lending Group, Inc., II** is requesting a consumer loan license. Applicant is based in Owings Mills, MD. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. They currently operate in Illinois and Maryland. **The Director approved this on August 6, 1998, under Delegated Authority.**
- 11.) **Westmark Mortgage Corporation** is requesting a consumer loan license. Applicant is based in Delray Beach, FL. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by a title company. They currently operate in nineteen states. **The Director approved this on August 6, 1998, under Delegated Authority.**
- 12.) **M.O.S. and Associates, Inc. d.b.a Cash N A Flash** is requesting a consumer loan license. Applicant is based in Richmond, IN. They will be making payday loans. They will be servicing their loans. **The Director approved this on August 6, 1998, under Delegated Authority.**

**APPROVED:**

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**Norman Lowery, Chairman**

**ATTEST:**

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**J. Philip Goddard, Secretary**